

**SCAG Regional Council RHNA Pilot Program Action**  
**July 6, 2006 Meeting**

The Regional Council approved the following motion for item 6.4.1 on their agenda:

Approve the CEHD recommendation for the Pilot Program, pages 196-198. In addition, use Senate staff recommendations as the basis to finalize the Senate Transportation Staff's report.

The CEHD recommendation that was approved by the Regional Council reads as follows:

“Approve the RHNA Pilot Program and pursue a legislative strategy to amend those portions of State Housing Law that pertain to the COG's RHNA responsibility in substantial conformance to the Pilot Program before the end of the 2006 legislative session.”  
(Item 6.4.1, page v of the Regional Council agenda)

The Senate Staff recommendation as referred to is attached.

The Pilot Program referred to as pages 196-198 is attached after the Senate Staff recommendation.

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Posted: Monday, July 10, 2006

**Senate Transportation and Housing Committee Staff Proposal**  
**June 29, 2006**

Add Section 65584.02.5 to the Government Code to read:

65584.02.5.(a) For the fourth revision of the housing element pursuant to Section 65588 within the region of the Southern California Association of Governments (SCAG), the existing and projected need for housing for the region as a whole and each jurisdiction within the region shall be determined according to the provisions of this article, except as follows:

(1) Notwithstanding subdivision (b) of Section 65584.01, if the total regional population forecast for the planning period, developed by the council of governments and used for the preparation of the regional transportation plan, is within a range of 4 percent of the total regional population forecast for the planning period over the same time period by the Department of Finance, then the population forecast developed by the council of governments shall be the basis from which the department determines the existing and projected need for housing in the region.

(2) The council of governments shall not be required to survey its member jurisdictions pursuant to subdivision (b) of Section 65584.04.

(3) The methodology required by Section 65584.04 shall be based upon SCAG's Regional Transportation Plan Growth Forecasting Process and other strategies adopted by SCAG to integrate housing planning with projected population growth and transportation.

(4) The council of governments shall allow a city or county to appeal its draft allocation pursuant to subdivisions (d) and (e) of Section 65584.05, but shall not be required to entertain requests for revision pursuant to subdivisions (b) and (c) of Section 65584.05. A city or county shall not be allowed to file more than one appeal, and no appeals may be filed relating to any adjustments made pursuant to subdivision (g) of Section 65584.05.

(5) In the event that two or more local governments agree to an alternate distribution of appealed housing allocations pursuant to subdivision (g) of Section 65584.05, the council of governments shall review the agreement. The agreement shall only be included in the final allocation plan if the council of governments makes a finding that the agreement is consistent with regional transportation and air quality plans does not exacerbate racial or economic segregation.

(b) This section shall be repealed on December 31, 2014, unless a later enacted statute extends that date.

DRAFT RHNA Pilot Program Language – SCAG Region  
For CEHD and RC Review and Action  
July 6, 2006

Section 65584.01(e) is added to the Government Code, to read:

65584.01 (e) Notwithstanding the provisions of Government Code sections 65584.01 (a)-(d) and 65584.04(b) and (h), relating to the regional housing needs process, the Southern California Association of Governments, hereinafter referred to as SCAG, shall prepare the fourth revision of the Housing Element Regional Housing Needs Assessment in accordance with the following:

- (1) Develop integrated long-term growth forecasts by 5 year increments.
- (2) The forecasts shall include three major variables: population, employment, and households by geographic area throughout the region.
- (3) SCAG shall convert households into housing units using replacement rates from the Department of Finance “DOF”, and county level vacancy rates from the most recent Census, by weighing vacancy rates of for-sale and for-rent units.
- (4) The methodology and allocation process shall follow the Regional Transportation Plan “RTP” Growth Forecasting Process and other strategies adopted by SCAG to integrate housing planning with projected population growth and transportation.
- (5) SCAG shall consider the following factors early in the growth forecasting process:
  - (A) Each member jurisdiction's existing and projected jobs and housing relationship.
  - (B) The opportunities and constraints to develop additional housing in each member jurisdiction, including all of the following:
    - (i) Lack of capacity for sewer or water service due to federal or state laws, regulations or regulatory actions, or supply and distribution decisions made by a sewer or water service provider other than the local jurisdiction that preclude the jurisdiction from providing necessary infrastructure for additional development during the planning period.
    - (ii) The availability of land suitable for urban development or for

conversion to residential use, the availability of underutilized land, and opportunities for infill development and increased residential densities. The council of governments may not limit its consideration of suitable housing sites or land suitable for urban development to existing zoning ordinances and land use restrictions of a locality, but shall consider the potential for increased residential development under alternative zoning ordinances and land use restrictions.

(C) The distribution of household growth assumed for purposes of a comparable period of regional transportation plans and opportunities to maximize the use of public transportation and existing transportation infrastructure.

(D) Agreements between a county and cities in a county to direct growth toward incorporated areas of the county.

(E) Any other factors adopted by the council of governments.

- (6) SCAG shall conduct a minimum of fourteen public workshops, which shall include at least one for each subregion. The objective of the workshop shall include but not be limited to the solicitation of information regarding the above factors.
- (7) SCAG shall approve the forecasts, and transmit to the State Housing and Community Development Department “HCD” at the regional level the following variables: population, households, employment and housing units.
- (8) The HCD shall certify the SCAG growth forecast. If the difference between SCAG’s population projection and the one projected by the DOF is over 4 percent, the HCD may convene a Panel consisting of representatives from Department of Finance (DOF), Employment Development Department (EDD), Caltrans and a representative of another Council Of Government (COG) to review the assumptions and methodology of the forecast and to recommend to HCD whether or not the household forecasts and assumptions are consistent with this section or require modifications.
- (9) Upon review of the recommendations of the Panel and consultation with SCAG, HCD shall either certify the SCAG forecast, or shall certify the forecast determined by the Panel, or shall propose an alternative regional housing need with a written explanation for its proposal to the Panel. If HCD proposes an

alternative regional housing need that is not acceptable to SCAG, the parties shall abide by the determination of the Panel.

- (10) SCAG shall follow the Regional Transportation Plan (RTP) Growth Forecasting process and complete the Housing Need Allocation Plan twelve (12) months from the date that HCD sends notice of the certification of the SCAG forecasts.
- (11) SCAG shall appoint and work with appropriate subcommittees and technical advisory committees to establish a public review process on various policy issues that will determine key methodologies required to complete the Regional Housing Allocation Plan. In addition to the factors listed in Government Code Section 65584.01 (e)(5)(A) thru (E), SCAG shall also consider the following:
  - (A) Appropriate factors in determining housing unit allocation by local jurisdiction,
  - (B) Appropriate factors in determining housing unit allocation by income,
  - (C) Appropriate level of resources for producing low-income housing,
  - (D) Appropriate level of incentives or regulatory relief for land use strategies and designations consistent with the regional growth forecast
- (11.01) Upon release for public review of the draft Regional Housing Allocation Plan, a jurisdiction may proceed to appeal the allocation of housing pursuant to Government Code Section 65584.05(b) through (i), except that no jurisdiction may appeal any adjustment or adjustments made by the council of government or delegate subregion made as a result of disposition of an appeal pursuant to this section.
- (12) SCAG shall approve the final Housing Need Allocation Plan with findings that the Plan is consistent with the objectives of this section and with the Regional Transportation Plan, and that the distribution of housing allocation will not significantly impact mobility and air quality.
- (13) SCAG shall delegate development of the Housing Need Allocation Plan to the subregional entities, provided that subregional entities agree to maintain the subregional total of housing need throughout the process.